

RESOLUTION CR-27-09

A RESOLUTION TO AUTHORIZE THE CITY ADMINISTRATOR TO ENTER INTO A JOBS GROWTH INCENTIVE AGREEMENT WITH WELSPUN USA, INC.

WHEREAS, the Administration has been in negotiations with Welspun USA, Inc.; and

WHEREAS, Welspun USA is expanding its business model and has limited space available at its current location; and

WHEREAS, Welspun USA is creating employment opportunities that will strengthen the economy in the City by expanding its operations from approximately 100,000 square feet to approximately 300,000 square feet and this expansion will create an estimated 25-30 new jobs in the City; and

WHEREAS, the Jobs Growth Incentives discussed herein are major factors in the Company's decision to stay and expand their business in Grove City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GROVE CITY, STATE OF OHIO, THAT:

SECTION 1. The Council hereby accepts the Jobs Growth Incentive Agreement with Welspun USA, Inc. and authorizes the City Administrator to enter into said agreement, attached hereto as Exhibit "A".

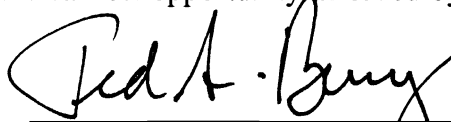
SECTION 2. This resolution shall take effect at the earliest opportunity afforded by law.

Passed: 6-15-09

Effective: 6-15-09

Attest:

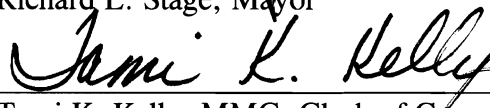
I Certify that this resolution is correct as to form.



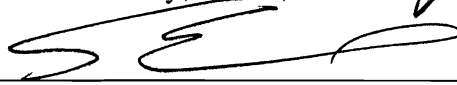
Ted A. Berry, President of Council



Richard L. Stage, Mayor



Tami K. Kelly, MMC, Clerk of Council



Stephen J. Smith, Director of Law

CP-27-09

JOBS GROWTH INCENTIVE AGREEMENT

THIS JOBS GROWTH INCENTIVE AGREEMENT (this "Agreement") is made and entered into this the ____ day of June, 2009 by and between the City of Grove City, Ohio, (the "City"), a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Ohio, and Welspun USA, Inc. (the "Company").

RECITALS

WHEREAS, the Company is the design, marketing, sales, and operations arm in North America of Welspun which had over \$1.6 billion in sales in 2008 and has a global presence in over 50 countries; and

WHEREAS, the Company currently has offices in New York City, San Francisco, and Charlotte; and

WHEREAS, the Company currently handles its distribution through a facility in Charlotte and is expanding in the City; and

WHEREAS, the Company desires to expand its operations in the City by increasing its total leased space in the City from approximately 100,000 square feet to approximately 300,000 square feet and this expansion will create an estimated 25-30 new jobs in the City (Collectively referred to as the "Project"); and

WHEREAS, the Company has the financial responsibility and business experience to create employment opportunities and improve the economic welfare of the people of the City; and

WHEREAS, the Jobs Growth Incentives discussed herein are major factors in the Company's decision to stay and expand their business in the City; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties, intending to be legally bound, agree as follows:

Section 1. Based on a review of the relevant information, the City has determined the following:

- A. The Project will create new jobs in the City.
- B. The Project will benefit the people in the City by increasing opportunities for employment and strengthening the economy of the City.
- C. Receiving the Jobs Growth Incentive is a major factor in the Company's decision to go forward with the Project.

Section 2. Jobs Growth Incentives.

As set forth herein, the City agrees to pay to the Company a financial incentive based on the withholding tax paid by the New Employees, as defined in Section 5 below, at the Project Site, as defined in Section 6 below, over the term of this Agreement.

This Agreement shall begin in 2010 and continue for a period of Seven (7) years (the "Term"). A calculation of the Jobs Growth Incentive for each applicable tax year shall be determined as follows:

- A. Following the first year of the Term, the City agrees to pay an amount equal to One Hundred Percent (100%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2010.
- B. Following the second year in the Term, the City agrees to pay an amount equal to One Hundred Percent (100%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2011.
- C. Following the third year of the Term, the City agrees to pay an amount equal to Fifty Percent (50%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2012.
- D. Following the fourth year of the Term, the City agrees to pay an amount equal to Fifty Percent (50%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2013.
- E. Following the fifth year of the Term, the City agrees to pay an amount equal to Fifty Percent (50%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2014.
- F. Following the sixth year of the Term, the City agrees to pay an amount equal to Fifty Percent (50%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2015.
- G. Following the seventh year of the Term, the City agrees to pay an amount equal to Fifty Percent (50%) of the total amount of City income tax withheld from New Employees at the Project Site during the tax year 2016.

Section 3. Additional City Responsibilities.

The City will cooperate with the Company in its effort to obtain other incentives, including any additional incentives and/or credits that may be available from the State of Ohio.

Additionally, the City shall reimburse the Company up to \$10,000 for new employee training upon submission to the City of appropriate, as determined by the City, documentation.

Section 4. Job Creation and Retention

The Company shall retain the jobs positions that it currently has at the Project Site and create approximately 25-30 new positions. The Company will not be penalized for creating less than 25-30 full-time positions.

Section 5. New Employee

“New Employee” shall mean any full-time employee hired in the City by the Company after December 31, 2009. An employee that was hired before December 31, 2009 or who is relocated to the Project from other locations the Company may own and/or operate shall not be considered a New Employee within the meaning of this paragraph.

For purposes of this Agreement, “full-time employee” means an individual who is employed for consideration at least Thirty Five (35) hours per week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment.

Section 6. Project Site

The Project Site is located at 3901 Gantz Road, Grove City, Ohio 43123. The Project Site also includes any other addresses that are part of the same building or structure as 3901 Gantz Road.

Section 7. Submission of Request for Payment

During the Term of this Agreement, the Company shall submit to the City an annual statement, certified by the Company’s Chief Financial Officer or other officer authorized to sign tax returns, containing the following: (i) information regarding the total number of employees employed in the City, their respective payroll and City income tax withheld; and (ii) the total number of new employees, respective payroll and City income tax withheld for those New Employees at the Project Site. Company shall submit these materials to the City prior to the end of the first quarter of tax year following the end of the tax year for which the Company is seeking payment.

Section 8. Records, Access and Maintenance

The Company shall establish and maintain for at least Two (2) years following end of the Term of this Agreement such records as are required by the City in Section 7 above and all relevant supporting documentation. The Parties further agree that the Company shall, at its own cost and expense, segregate all such records related to the Project from its other records of operation. The Company may redact any information that is not material to this Agreement or that is confidential/trade secret.

Section 9. Audit and Inspections

The Company agrees to pay the cost of a one-time audit to determine the accuracy of the job creation reports due annually to the City. Such audit may be requested by the City at any time dur-

ing the Term of this Agreement. The City, at their own expense, further reserves the right to additional audits during the Term of this Agreement.

Section 10. Authority, Execution and Delivery. Each party to this Agreement represents and warrants to each other party as follows:

- A. Authority. It has the full right, power and authority to enter into this Agreement and to carry out its obligations hereunder, and the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all necessary action.
- B. Execution and Delivery. This Agreement has been duly executed and delivered by it, and constitutes a valid and binding obligation of it, enforceable against it in accordance with its terms.

Section 11. Miscellaneous.

- A. Amendment or Waiver. No amendment or waiver of any provision of this Agreement shall be effective against any party hereto unless in writing and signed by that party.
- B. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same agreement.
- C. Severability. If any provision of this Agreement is or becomes invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect the remainder of this Agreement and the remainder of this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable portion were not contained herein, provided and to the extent that such construction would not materially and adversely frustrate the original intent of the parties hereto as expressed herein.
- D. Jurisdiction. The provisions of this Agreement and all matters that relate to its interpretation or enforcement shall be governed by Ohio law. The venue for any action to enforce any provision of this Agreement shall be exclusively in the state and federal courts in Franklin County, Ohio and each of the parties hereby consents to and subjects itself to the exclusive jurisdiction of such courts.
- E. Further Assurances. Each party hereto shall cooperate, shall take such further action and shall execute and deliver such further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.
- F. Successors. This Agreement shall inure to the benefit of, and be binding upon, each party and that party's respective successors and assigns. This Agreement is not trans-

ferable or assignable without the express written approval of the City pursuant to Ordinance.

- G. Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed to the appropriate party at its address indicated as follows:

If to the City: City of Grove City, Ohio
 Attention: Phil Honsey, City Administrator
 4035 Broadway
 Grove City, Ohio 43123

If to the Company: Welspun USA, Inc.
 Attention: Gary Gleckner, Director of Operations/IT
 3901 Gantz Road
 Grove City, OH 43123

or such different address of which notice shall have been given in accordance with this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF GROVE CITY

WELSPUN USA, INC.

Phil Honsey, City Administrator

Gary Gleckner, Director of Operations/IT

APPROVED AS TO FORM:

Stephen J. Smith
Law Director, City of Grove City